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2 June 1973

**MEMORANDUM FOR THE RECORD**

**SUBJECT: Conversation with Senator McClellan and Jim Calloway  
on 1 June 1973**

1. I called on the Senator to present my respects after the President's nomination.

2. Senator McClellan asked me about morale in CIA. I said that there had been considerable turbulence at CIA but that it had been needed. He asked whether CIA had been led into doing some marginally useful activities. I said that this was not really the problem; the new activities we had gotten into were in response to real needs -- narcotics, terrorism, etc. On the other hand, there had been a tendency to keep doing older things with a kind of bureaucratic momentum. In that respect, Mr. Schlesinger's move to reduce the Agency, and particularly its average age, was a useful step at this time, and no serious effect on morale had occurred.

3. The Senator was concerned about the discussion of a possible open CIA budget with the Select Committee. He said he was buffeted by the various requirements on him at this time and had not been able to do his homework. He asked Mr. Calloway and me to provide him a clear statement of the way in which intelligence appropriations are carried within the open budget so that he could go to the meeting well informed on this topic (OLC has been requested to do this). He said that if we are to run a secret Agency, we must put confidence in someone and not spread the secrets around everywhere. He said that in the American democracy, secrecy should be the absolute minimum necessary, but that some certainly is required. I fully agreed with his basic thrust, but I said I felt it necessary to say that our appreciation is that the national security would not be adversely affected if a total round number were given for the community, or even for CIA. The problem

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is rather a tactical one, whether this would generate pressures for more information, riders, etc. I also pointed out that the House has certain views on this subject. I lastly said that the Agency has no position on the matter and will certainly abide by Congress' decision on it.

4. Mr. Calloway then left the room. I said that, if confirmed, I hoped to visit with the Chairman occasionally and that I would have "no secrets" from him. He said that he does not spend too much time delving into CIA, as there are a total of ten senators on the two subcommittees that deal with CIA, so he feels that its affairs are adequately looked at. He said that this is a question for the Senate as a whole as to whether these secrets could be reviewed by these ten senators and that, if this is not a reasonable amount of effort, they could review it at a vote. I said that there are two matters that might come up during my confirmation hearings in which I thought he might be interested. The first is whether CIA is involved in domestic activities. He asked, "Is it?" I said it is not but that some activities in the past may have gone over the edge but that we will certainly eliminate these in the future. I said that, for example, the statute calls for the Director to protect intelligence sources and methods. I said that under this rubric a certain amount of follow-up of leaks had occurred, which had perhaps gone beyond proper limits. I said that I view this as giving the Director a charge, but not authority to act directly. He rather questioned this, but I said that I feel that if the Director, in exerting his charge, found that intelligence sources and methods were not protected, he should go to the appropriate authorities to follow up such matters and not do it himself. He said that the confirmation hearings would undoubtedly get into this problem further, and I assured him that we would in the future ensure that CIA not engage in domestic activities.

5. The second subject I called to the attention of the Senator was the Phoenix program in Vietnam, describing my role as detailed to the State Department to work on the pacification program as a whole, of which the Phoenix program was a part. I said that the Phoenix program was designed to put some law and order into the fight which was going on between the subversive apparatus of the Communists and the government forces. I said that, in the course of this, some abuses certainly

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took place but that the thrust of the program was in the opposite direction. He said that this seemed to be part of the war as a whole and did not go further into it.

6. The Senator referred with regret to the overall political atmosphere these days and to his regret that some people had undoubtedly wrongly used the power of the White House. He expressed sadness at the developments on the Gray appointment and referred to his <sup>Gray's</sup> being pressed between his duty on the one side and his feeling of the need to respond to White House needs on the other. He said that the record indicates that General Walters apparently was ready to resign before he would do anything improper. I responded that I have every intention to follow General Walters' example if the matter came to that, and that we had all had a good lesson recently in the need to go directly to the President on any such matter. I stressed that I am fully prepared to resign rather than become involved in some misuse of CIA outside its proper field. We parted with assurances of friendship.

WEC

W. E. Colby

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